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OFFICE OF THE AUDITOR GENERAL

California Legislature

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April 18, 1978

Letter Report 813

The Honorable Fred W. Chel
California Legislature
State Capitol, Room 2184
Sacramento, California 95814

Dear Assemblyman Chel:

On January 11, 1978 you posed four questions relating to state administrative costs of Title VII, nutrition grants administered by the California Department of Aging. The Department does not maintain records which reflect the administrative costs of Title VII or of Title III for the coordination of comprehensive supportive services for the elderly.

Presently, department heads throughout state government commingle federal funds and state employees among hundreds of federal programs. Administrative costs and cost-benefit ratios are suspiciously blurred and defy evaluation and analysis.

The Governor and the Legislature should insist upon separate program definition and identification and upon internal control accounting procedures for productivity measurement.

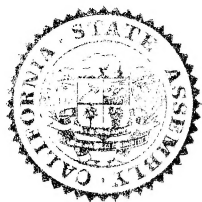
The auditors are Thomas W. Hayes, Assistant Auditor General; Robert E. Christophel and Linda L. Huffman.

Sincerely,

MIKE CULLEN
Chairman

cc: The Honorable Lawrence Kapiloff, Chairman
Special Subcommittee on Aging
1116 Ninth Street, Room 58
Sacramento, California 95814

Enclosure: Auditor General's Letter Report 813



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April 11, 1978

Letter Report 813

Honorable Mike Cullen
Chairman, and Members of the
Joint Legislative Audit Committee
State Capitol, Room 5144
Sacramento, California 95814

Dear Mr. Chairman and Members:

In response to a resolution of the Joint Legislative Audit Committee and under the authority vested in the Auditor General by Section 10527 of the Government Code, we have reviewed the California Department of Aging's (CDA) use of staff time and funds in administering Older Americans Act programs. Specifically, we have attempted to determine:

- The number of employees working full-time and part-time by program
- The number of employee hours spent by program
- The number of employee hours spent by function performed, such as on-site assessments, program monitoring and auditing, etc.
- The amount of funds spent administering Older Americans Act programs.

We could only partially respond to the specific questions in the audit request because the Department does not require its employees to account for their time by program or activity.

We conducted interviews and analyzed records at the California Department of Aging and the U.S. Department of Health, Education & Welfare's Administration on Aging. We also visited two area agencies on aging and two nutrition projects.

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Chairman, and Members of the
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Background

The California Department of Aging is responsible for coordinating and assisting public and nonprofit private agencies in planning and developing programs for older persons, with a view toward establishing a statewide network of comprehensive, coordinated services and opportunities for such persons. The Department is also responsible for administering funds allocated to California through the federal Older Americans Act of 1965, as amended. Programs funded by the Older Americans Act include:

- Title III--Coordinates comprehensive supportive services for the elderly
- Title IVA--Provides training programs and education for elderly service providers, senior citizens, etc.
- Title V--Provides financial assistance for the purchase or renovation of facilities to be used as multi-purpose community senior centers
- Title VII--Provides low-cost nutritionally sound meals to needy senior citizens on a regular basis
- Title IX--Provides subsidized employment in community service activities for low-income elderly.

According to the Federal Administration on Aging, the administrative funds provided through Title III are intended to be used for administering both Title III and Title VII programs. Funds provided through Titles IVA, V and IX are intended to be used for the individual program operation and administration costs.

The Governor's Budget for fiscal year 1978-79 indicates that the total estimated department expenditure for fiscal year 1977-78 is \$48.3 million; of which \$46.7 million is federal funds and \$1.6 million is state funds. The estimated administrative cost for the same period is \$3.2 million.

As of December 31, 1977 there were 109.5 budgeted positions within the Department; 77 of which were professional and 32.5 clerical. There were six unfilled positions at that time.

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Lack of CDA Records
Pertaining to Staff Utilization

The Department's management information system does not include staff time reporting records to account for time spent administering the various Older Americans Act programs. However, the Department periodically has compiled reports related to specific aspects of staff workload:

- In April 1977, professional staff were asked to estimate the amount of time they spent on Titles III and VII of the Older Americans Act. This information was used to develop a proposed staffing plan for the federal fiscal year 1978 (October 1, 1977 to September 30, 1978) State Plan on Aging. The proposed staffing plan is presented in Appendix A.
- During the month of October 1977, the CDA Field Operations Division conducted another time study to identify the number of employee hours spent by the type of duties performed, such as technical assistance, program monitoring, staff training, etc. However, few project assessments were performed in October 1977. Project assessments include a review of project operations and records to identify problems involved in accomplishing individual project objectives.
- The Department's Field Operations Division is currently performing a time study for the month of March 1978. Because project assessments are being performed, March will represent a more typical month for time study analysis.

The following information was developed from the above special reports. We did not test the validity of these reports since such a test would have required interviewing the entire CDA staff.

Staff Time Spent
by Program

The CDA staffing plan for 1978 projected a total of 71 full-time professional positions to administer the various Older Americans Act programs. Based on this projection, we estimated the percent of professional staff time and the hours spent per year, and the number of full-time equivalent positions required to administer these programs:

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<u>Program</u>	<u>Estimated Percent of Time Spent</u>	<u>Equivalent Hours/Year</u> ^{1/}	<u>Full-Time Equivalent Positions</u>
Title III coordinated services	42.5%	64,480	31
Title VII nutrition projects	44.0	66,560	32
Other (includes Titles IVA, V, IX, nursing home ombudsman, etc.) ^{2/}	<u>13.5</u>	<u>20,800</u>	<u>10</u>
Totals	<u>100.0%</u>	<u>151,840</u>	<u>73</u>

^{1/} This information is based on data appearing in the CDA staffing plan for 1978 and does not represent actual time reported by the Department.

^{2/} Personnel records indicate that as of February 28, 1978 there were 11 full-time professional employees working as follows:

<u>Program</u>	<u>Number of Employees</u>
Title IVA training	1
Title V multipurpose centers	5
Title IX employment	<u>5</u>
	<u>11</u>

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Number of Employee
Hours by Activity

The October 1977 CDA Field Operations staff time study estimated that employee time was devoted to the following activities:

<u>Job Function</u>	<u>Percent of Employee Hours</u>
--Review of project applications	26
--Processing of reports of expenditure and requests for payment	14
--Development of project fund allocation plans	13
--On-site project assessments	9
--Staff meetings	7
--Travel	7
--Technical assistance	6
--Post-grant project audit (close-out audit)	5
--Other activities, such as consultation, policy development, correspondence, etc.	<u>13</u>
	<u>100</u>

We will analyze and forward the results of the March 1978 time study to the Joint Legislative Audit Committee and to the requestor of this report as soon as the information becomes available.

Amount of Funds Spent Administering
Older Americans Act Programs

The Department does not maintain records showing the amount of administrative funds spent on Titles III and VII of the Older Americans Act. The Department reports that administrative expenditures for the remaining Older Americans Act programs were as follows:

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<u>Program</u>	<u>Program Inception</u>	<u>To</u>	<u>Amount Expended</u>
Title IVA	6/1/77*	2/28/78	\$19,779
Title V	10/1/77	2/28/78	35,204
Title IX	7/1/77	2/28/78	63,545

* Title IVA was established in 1974; however, administrative expenditures for this program were funded from the Title III allotment until June 1, 1977.

Area Agency on Aging
Timekeeping Records

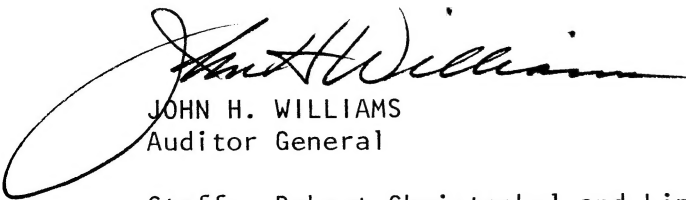
One of the area agencies on aging that we visited has recently implemented a system to account for staff time. Each employee is required to complete an "Hours Allocation Sheet" indicating, by program, the number of hours spent each day on the various activities performed. The director of the area agency told us that the system was developed for internal management control purposes.

In order for the Department to know the amount of employee time spent on each of the Older Americans Act programs, a similar system would have to be implemented departmentwide.

CONCLUSION

Because the California Department of Aging does not maintain timekeeping records which account for employee time by program or activity, it cannot routinely identify the amounts of staff time spent administering the various Older Americans Act programs. Moreover, lack of programmatic accountability precludes productivity measurement.

Respectfully submitted,



JOHN H. WILLIAMS
Auditor General

Staff: Robert Christophel and Linda Huffman
APPENDIX A--CDA Proposed Staffing Plan for Federal Fiscal Year 1978

April 11, 1978

RESPONSE TO AUDITOR GENERAL'S REPORT

Under Joint Legislative Audit Committee rules agencies have three working days to respond in writing to draft reports of the Auditor General. The California Department of Aging did not respond to the report.

CALIFORNIA DEPARTMENT OF AGING
PROPOSED STAFFING PLAN FOR FEDERAL FISCAL YEAR 1978

	2. Percent of Time or Effort			1/
	Title		Other	
	III	VII		
<u>OFFICE OF THE DIRECTOR</u>				
Director	60	15	25	
Deputy Director	50	25	25	
Special Consultant*			100	
Secretary I				
Stenographer				
<u>OMBUDSMAN</u>				
Nursing Consultant III*			100	
Stenographer*				
Sub Totals	1.9	.7	4.3	
<u>ADMINISTRATION DIVISION</u>				
Staff Services Manager II	50	25	25	
Senior Clerk Typist				
<u>ADMINISTRATIVE SUPPORT SERVICES</u>				
Staff Services Manager I	49	50	1	
Clerk Typist II				
Stenographer*				
<u>FISCAL</u>				
Accounting Officer	48	48	4	
Staff Service Analyst	40	50	10	
Senior Account Clerk				
Senior Account Clerk				
<u>BUSINESS SERVICES</u>				
Business Service Officer I	50	50		
Clerk Typist II				
Clerk II				
Clerk II				
<u>MANAGEMENT ANALYSIS</u>				
Associate Governmental Program Analyst	45	50	5	
Associate Governmental Program Analyst	50	50		
Clerk Typist II				
State Financial Examiner II	2/			
Training Officer I	2/			
<u>PERSONNEL</u>				
Associate Personnel Analyst	2/			
Personnel Assistant I	50	50		
Clerk Typist II*				
<u>TRAINING & EDUCATION</u>				
Consultant on Aging II			100	
Sub Totals	6.6	6.4	2.5	

* Positions not budgeted

1/ Percent of time spent was based on estimates of CDA professional staff during the month of April 1977.

2/ Positions for which estimates for time spent by program had not been made.

	2. Percent of Time or Effort		
	Title	Other	
	III VII		
<u>PROGRAM SUPPORT DIVISION</u>			
Staff Services Manager I	80	15	5
Staff Services Manager I <u>2/</u>			
Clerk Typist II			
<u>EVALUATIONS</u>			
Consultant on Aging II	55	40	5
Associate Governmental Program Analyst	55	40	5
<u>COMMUNICATIONS</u>			
Information Officer II	30	55	15
Information Officer I	30	55	15
Senior Clerk Typist			
<u>LEGISLATION BRANCH</u>			
Staff Services Analyst	80	5	15
<u>PLANNING</u>			
Associate Governmental Program Analyst	60	40	
Staff Services Manager II*	100		
Associate Governmental Program Analyst	55	40	5
Staff Services Analyst*	100		
Staff Services Analyst	100		
Senior Clerk Typist			
Clerk Typist II*			
<u>PROGRAM DEVELOPMENT</u>			
Staff Governmental Program Analyst	30	5	65
Associate Governmental Program Analyst	25		75
Specialist Problem Aging	30	15	55
Clerk Typist II			
Clerk II			
Associate Governmental Program Analyst**			
Associate Governmental Program Analyst**			
Clerk Typist II**			
Associate Governmental Program Analyst**			
Associate Governmental Program Analyst**			
Associate Governmental Program Analyst**			
Associate Governmental Program Analyst**			
Associate Governmental Program Analyst**			
State Financial Examiner II**			
Sub Totals	14.3	5.4	4.6

** Positions pending Department of Finance approval.

	2. Percent of Time or Effort		
	Title	Other	
	XII VII		
FIELD OPERATION BRANCH			
Administrator Commission on Aging	40	50	10
Consultant on Aging II	50	30	20
Consultant on Aging II	50	30	20
Staff Services Analyst	50	25	25
Senior Clerk Typist			
NORTHERN REGIONAL OFFICE			
Staff Service Manager I	47	50	3
Consultant on Aging II	50	50	
Consultant on Aging II	50	49	1
Consultant on Aging II	50	48	2
Consultant on Aging II	50	50	
Consultant on Aging II	50	50	
Consultant on Aging II	50	48	2
Consultant on Aging I <u>2/</u>			
State Financial Examiner III	50	50	
State Financial Examiner II	40	60	
Public Health Nutrition Consultant II		100	
Stenographer			
Stenographer			
Clerk Typist II ($\frac{1}{2}$)			
CENTRAL REGIONAL OFFICE			
Consultant on Aging III <u>2/</u>			
Consultant on Aging II	50	50	
Consultant on Aging II	50	50	
Consultant on Aging I	50	50	
Consultant on Aging Trainee	50	47	3
Auditor I	47	50	3
Public Health Nutrition Consultant I		100	
Clerk Typist II			
SOUTHERN REGIONAL OFFICE			
Staff Service Manager I	47	50	3
Consultant on Aging III <u>2/</u>			
Consultant on Aging II	20	75	5
Consultant on Aging II	35	60	5
Consultant on Aging II	20	65	5
Consultant on Aging II	35	60	5
Consultant on Aging II <u>2/</u>			
Consultant on Aging I	30	65	5
State Financial Examiner II	20	80	
State Financial Examiner II	20	80	
State Financial Examiner II	20	80	
Staff Services Analyst	20	75	5
Public Health Nutrition Consultant II		100	
Stenographer			
Stenographer			
Clerk Typist II*			
Sub Totals	19.7	31.5	2.1
Grand Totals	42.5	44.0	13.5